

**MINUTES**  
**Highway Expansion and Extension Loan Program**

**Advisory Committee Meeting**  
**January 18, 2001**

**Committee Members Present:**

Cliff Potts  
Jeff Martin  
Paul Schwartz

Bill Beyer  
Tami Ryall

**Members Absent:** Gary Magrino

**Others Present:**

John McGee, ADOT Chief Financial Officer  
John Carr, ADOT  
Vicki Tsutsumida, FHWA

Anna-Marie Perry, ADOT  
Steve Schaefer, ADOT  
Val Carrola, ADOT

**Call to Order**

The meeting was called to order by Ms. Peters at 1:40 p.m. A quorum was present.

Ms. Peters welcomed Mr. Beyer. She added that as Chairman of the Citizens Transportation Oversight Committee, Mr. Beyer would be a welcome addition to the Advisory Committee. Ms. Peters welcomed those attending the meeting by video conference.

**Adoption of the Minutes of the January 18, 2001 meeting**

Ms. Peters called for approval of the minutes of the November 7, 2000 and December 13, 2000 regular meetings. Mr. Potts moved for approval and Mr. Schwartz seconded the motion. Motion carried unanimously.

**Staff Reports**

Ms. Perry reviewed the Cash Status and Loan Status reports. Ms. Perry explained the first payment of principal and interest to the State Treasurer for Board Funding Obligations was included in the Cash Balance. Loan disbursements for the Statewide and PAG loans were expected to begin in the next few months. Mr. McGee told the Committee Arizona's HELP program remains one of the most active programs in the country, that the program has been first or second for loan activity since June. Mr. McGee told the members the program has loaned over \$205 million, has received in excess of \$40 million in repayments, and the program continues to be robust.

Mr. Schaefer briefly reviewed the outreach material included in the members' packets. Mr. Schaefer told the Committee the City of Yuma was expected to submit a loan application the week of January 22, 2001. Mr. Schaefer told the Committee interest in the program by cities and towns statewide has increased and that the increased interest could be attributed

to current loans and ongoing outreach efforts. Mr. Schaefer told members the mailing planned for early January had been delayed while the mail list was updated for newly elected city, town and county officials and other changes. The mailing would go out as soon as the update was completed. The committee was given a brief description of planned outreach efforts that included four workshops in March, attending the Rural Transportation Summit in Camp Verde, and other transportation related meetings. Mr. McGee added that in addition to the outreach program with cities and counties, internal outreach efforts were ongoing including recent meetings with Bob Miller to identify additional projects for potential acceleration. Mr. McGee informed the Committee that the program, put forward for potential acceleration of PAG and Statewide projects, is on track, with the exception of a \$36 million project in Christopher Creek. Mr. McGee advised the members Mr. Carr would be working with HELP staff to coordinate potential ADOT acceleration projects in the future.

Mr. McGee reminded the members an annual report is due at the Governor's Office each December 1, and that the 2000 annual report had been delivered on time. Mr. McGee thanked staff for their efforts. Mr. Schaefer explained the 2000 annual report included individual project descriptions and plans were for future reports to include before and after pictures of projects. Mr. Schwartz asked if the Committee was given the opportunity to review the annual report prior to distribution. Mr. McGee responded he did not believe a draft had gone out. Mr. Schaefer stated a draft had not been given to the Committee prior to publication. Mr. Schwartz stated he was appreciative of staff's efforts, but would like the opportunity to review future annual reports.

Mr. McGee referred to copies of the La Paz County HELP Loan press release included in the members' packets in response to a request by members at the last meeting. Mr. McGee told the Committee, the La Paz County Loan was an example of government being proactive and working quickly in addressing a very important need in a very imaginative way. Mr. McGee reported a technicality with program funding for the Pinetop to Hondah project caused the HELP Application for advancement of the project to be tabled at the December 15, 2000 Transportation Board Meeting. Mr. McGee informed the Committee the application was on the January 19, 2001 Board agenda.

Mr. McGee advised the Committee that the Department received the Governor's biennial budget recommendations for Fiscal Years 2002 and 2003. Included in the budget was a recommendation that the final two years (2002 and 2003) of General Fund appropriation not be given to HELP but, instead, the level of Board Funding Obligations that can be sold to the State Treasurer be increased by \$40 million. The recommendation is included in the OSPB but not in the JLBC biennial budget recommendation. Ms. Peters stated the budget process was in the early stages and that the process was fluid going forward. Ms. Peters told members the Department would be keeping a close watch on the status and that as progress was made on the budget staff will provide the Committee status reports. Mr. McGee told the committee the financial implications of the OSPB recommendation included decreased fund capitalization of \$40 million and additional interest costs estimated at \$17 to \$20 by 2008. Mr. McGee explained the recommendation reduces fund capitalization, currently expected to be \$160 million by 2008, to \$100 million. Mr. McGee agreed budget negotiations were in the early stages and recommendations could change. Ms. Peters told

members she would be meeting with Mr. Betlach of the Governor's Office on budget related issues. Mr. Beyer said he agreed it was early in the process and asked if Ms. Peters would call on the Committee to work with members of the legislature if she felt it was necessary. Ms. Peters responded that was her intent.

Mr. McGee reviewed potential dates for future Advisory Committee meetings which are normally scheduled for the first Monday of the month. Mr. McGee told the Committee that because the January meeting was held later than normal he supported not meeting in February and scheduling the next regular meeting on March 6. Mr. McGee stated the Committee expressed interest in holding one of their meetings in the Tucson area. Mr. McGee indicated the December Transportation meeting will be held in Tucson. Another option would be to hold the meeting on April 13 in Tucson in conjunction with the Transportation Board Public Hearings. After some discussion the Committee decided on meeting the afternoon of April 13 in Tucson.

### **Santa Cruz County South River Road Application**

Mr. Schaefer gave the Committee an overview of storm damage to South River Road in early October. Mr. Schaefer told the Committee a meeting was held with Santa Cruz County, ADOT staff and FHWA to discuss funding of emergency repairs. During the meeting FHWA had given preliminary approval for FHWA to reimburse the interest cost. Mr. Schaefer went on to say that in addition to storm damage to the road, the application included a request for permanent improvements to South River Road. The project is included in the current SEAGO transportation improvement plan. Mr. Schaefer reviewed the application indicating the amount being borrowed for both emergency repairs and improvements, time frames and sources of repayment.

Ms. Peters told the Committee recommendations from a health issues study in the Nogales area conducted by the Department of Health Services identified the need for paving South River Road. Ms. Peters stated a recommendation for approval by the Committee would serve to address both the emergency repairs and the health issues.

Ms. Peters entertained a motion to approve recommendation of the application. A motion was made by Mr. Beyer to recommend approval of the application and seconded by Mr. Potts. Motion passed unanimously.

### **Call to the Public**

Ms. Peters called for comments from the public. Mr. Ahrens thanked the Committee, on behalf of those attending in Tucson, for the opportunity to attend the meeting by video.

The meeting was adjourned at 2:40 p.m.